

# ST. LOUIS POST-DISPATCH

## editorials

Oct. 3 to Oct. 9, 1977

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### THE POST-DISPATCH PLATFORM

I KNOW THAT MY RETIREMENT WILL MAKE NO DIFFERENCE IN ITS CARDINAL PRINCIPLES, THAT IT WILL ALWAYS FIGHT FOR PROGRESS AND REFORM NEVER TOLERATE INJUSTICE OR CORRUPTION, ALWAYS FIGHT DEMAGOGUES OF ALL PARTIES, NEVER BELONG TO ANY PARTY, ALWAYS OPPOSE PRIVILEGED CLASSES AND PUBLIC PLUNDERERS, NEVER LACK SYMPATHY WITH THE POOR, ALWAYS REMAIN DEVOTED TO THE PUBLIC WELFARE, NEVER BE SATISFIED WITH MERELY PRINTING NEWS, ALWAYS BE DRASTICALLY INDEPENDENT, NEVER BE AFRAID TO ATTACK WRONG, WHETHER BY PREDATORY PLUTOCRACY OR PREDATORY POVERTY.

JOSEPH PULITZER

April 10, 1907

## Something New And Dangerous

The Carter Administration's decision to seek development funds for a new mobile missile system to replace the Minuteman, the nation's principal land-based ICBM, should prompt a debate in Congress on the order of those attending the antiballistic missile system and B-1 bomber programs. Enormous issues of public policy are involved in this proposed missile system, known as the MX: cost, environmental considerations; military necessity and its probable effect on the strategic balance between the United States and the Soviet Union.

The case for the MX arises out of the assumption that by the 1980s, the Russians will have the capacity to destroy the entire American land-based missile force. To preserve this leg of the strategic triad, the MX would be deployed in covered trenches 10' to 12 miles long. The missile could be fired from any point in the trench, thus making it an extremely difficult target for Soviet missiles. Moreover, the MX itself would be a supermissile, carrying up to 14 nuclear warheads and having an accuracy within 100 yards.

Impressive as it would be, there are serious objections to the MX. Its cost is now estimated at up to 40 billion dollars—a per missile expense of more than \$133,000,000, which would make it the most highly

priced missile project ever undertaken. The trenches alone would occupy as much as 3600 miles. Beyond this, they would require a separation of 4200 feet. Hence the total territory required for the MX system would pose immense environmental problems. Then there is the question, is it needed? There is a wide and informed body of opinion that holds that the Minuteman force, as a whole, can remain invulnerable for the foreseeable future.

Perhaps the most important problem regarding the MX is its potential effect on the strategic relationship between the U.S. and USSR. Concealed in trenches, the MX would provide almost insurmountable verification problems; unlike a silo, which can hold one missile, a trench could hold a multitude of them. Thus it would give the U.S. a weapon that is all but immune to attack. The Soviets would be faced by a system powerful and accurate enough to threaten their land-based missile force, which significantly is the backbone of the Russian strategic arsenal. MX, in short, would be a dangerously destabilizing factor, another incentive in tense times for a Soviet first strike. This is one weapon for Congress to scrutinize with the greatest skepticism.

Oct. 7

## Zenith And Trade Deficits

On the same day that Treasury Secretary Blumenthal was predicting a "large and worrisome" trade deficit of 30 billion dollars for 1977, the

recession. But 30 billions is a lot of deficit and Americans should not realistically be expected to depend on capital inflows from the surplus oil states to

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# ST. LOUIS POST-DISPATCH

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JOSEPH PULITZER

April 19, 1907

## What Kind Of Tax Reform?

Sometime next month President Carter is to deliver his plan for overhauling the tax system, thereby making good on a campaign promise to work for thorough-going reform of the federal tax code. That it is in need of reform is incontestable. The problem is that what to one person is reform is to another the imposition of an unfair burden, for there is not a deduction, exemption, deferral, allowance or credit that cannot be defended as economically useful and socially beneficial.

The enormous and complicated collection of tax avoidance provisions has developed largely because over the years the tax code has become much more than merely a means of raising revenues. It is now an instrument for achieving a diverse range of social and economic objectives for the Government and even for promoting foreign policy goals.

In all this it has succeeded all too well, for the layers upon layers of tax preferences have resulted in some 90 billion dollars annually in what are known as tax expenditures, that is, taxes that would have been collected by the Treasury had it not been for the special exceptions written into the law for ostensibly worthy purposes. These include, for example, the deduction for mortgage interest—to help Americans own their own homes—the investment tax credit—to stimulate the economy—and tax free municipal bonds—to make them more attractive to investors.

By their nature, the tax avoidance provisions that create the tax expenditures are not even-handed. Some individuals and some corporations cannot take advantage of them, and therefore must pay a substantial

greater the wealth and power the more generous the tax favoritism. Finally, tax preferences are an invisible, seemingly painless way of providing government subsidies that voters would probably object to if they knew they were paying for them.

In short, then, the tax code is needlessly complicated, riddled with favoritism, distributes the tax burden unevenly and provides back-door subsidies the merits of which go unexamined. That being the situation, it is obvious that if anything resembling what most Americans would call reform is to be achieved, it is essential that the President and Congress approach the task by regarding the tax code as it was originally, a mechanism for raising money for the Government.

This is not to say that special circumstances and some social goals cannot be taken into account, but that the tax laws must be seen first and foremost as revenue producers. If that premise were accepted, it would be possible to abolish nearly all tax preferences and significantly reduce tax rates, yet provide the Government with at least as much and perhaps more revenue than it now collects. In the process of doing that, the tax code would be simplified, the inequities largely removed, public confidence in the laws and the lawmakers enhanced and, not incidentally, both individuals and corporations would base their spending decisions on intrinsic merits rather than tax avoidance potential. When these decisions resulted in social neglect, Congress could deal directly with the condition by appropriating the money necessary to correct the neglect.

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